



State of Utah

Department of
Natural Resources

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Division of
Oil, Gas & Mining

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August 17, 2004

CERTIFIED RETURN RECEIPT
7099 3400 0016 8896 0716

Ronald Bosshardt
Redmond Minerals, Inc.
6005 North 100 West
Redmond, Utah 84652

Subject: Second Request - Five Year Review of Reclamation Surety Estimate, Redmond Minerals, Inc., South RCS Salt Mine, M/039/002, Sanpete County, Utah

Dear Mr. Bosshardt:

On May 25, 2004 the Division sent a notice to Redmond Minerals, Inc. stating that we were performing a standard five-year review of your reclamation surety estimate to verify its accuracy and adequacy. Periodic adjustments to the surety are necessary to allow for the escalation of costs associated with the reclamation of the South RCS Salt Mine. We require that all reclamation surety cost estimates include a standard five-year escalation provision and be reviewed and updated every five years.

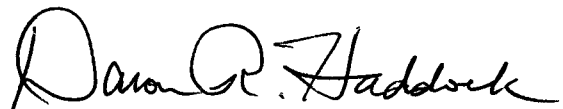
In our May 25, 2004 letter we asked for certain updated information to assist us in performing our surety assessment for your mine site. To date, the Division has not received a reply addressing our initial request.

The periodic surety review for the South RCS Salt Mine is due in 2004. In order to accurately update the information concerning the reclamation of this site, updated maps showing current surface disturbances and surface facilities are necessary. A failure to furnish this information in a timely manner may lead to an enforcement action which could result in a temporary suspension of your operation, or other lawful penalties, until such time as the requested information is received.

Ronald Bosshardt
Page 2 of 2
M/039/002
August 17, 2004

Please provide this information within the next 30 days, or no later than September 17, 2004. If you are unable to meet this timeframe, please contact the Division with justification for requesting additional time. Thank you for providing this information to assist us in our surety estimate review. If you have any questions concerning this letter, please contact Doug Jensen at (801) 538-5382.

Sincerely,

A handwritten signature in black ink that reads "Daron R. Haddock". The signature is fluid and cursive, with the first name "Daron" being more prominent than the last name "Haddock".

Daron R. Haddock
Permit Supervisor
Minerals Regulatory Program

DRH:DJ:jb
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